
State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 1999

OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 1999

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133.)

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* Indicates completion of corrective action. Details can be found in FY 98 State of Washington Corrective Action Plan. Listed per requirement of Circular A-133 §____.315(b)(1).

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
98	01	Finding:	DSHS did not comply with federal regulations for the Refugee Assistance Program to ensure payments are made to eligible refugees.				
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.566</td><td>\$101,047</td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.566	\$101,047
<u>CFDA #</u>	<u>Amount</u>						
93.566	\$101,047						
		Status:	Corrective action for the FY 98 audit year has been completed.				
		Corrective Action:	<p>DSHS concurred with the finding and has taken the following steps to correct the situation:</p> <ol style="list-style-type: none">1. The \$101,047 in questioned costs was transferred from the Refugee and Entrant Assistance grant to state funds on March 12, 1999. A revised claim to the federal government was submitted on April 26, 1999. The adjustment was reflected on a corrected FFY 98 financial report for the quarter ending September 30, 1998.2. DSHS has reviewed all Refugee Cash Assistance cases that were active during Fiscal Year 1999 that included a parent and child. The necessary accounting adjustments have been made and are reflected in the federal financial report for the quarter ending December 1999. DSHS will repeat this process for future fiscal years.3. State legislation was proposed and adopted that amends RCW 74.12.010 eliminating "deprivation" as a criteria of eligibility for Temporary Assistance for Needy Families. DSHS has changed internal policies in accordance with the new legislation and is monitoring compliance with the new policies.				
		Completion Date:	January 2000				

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Questioned Cost Status					
97	05	Finding:	DSHS did not comply with federal regulations for the Refugee Assistance Program to ensure payments were made to eligible refugees (Repeat Finding - #96-07).				
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.566</td><td>\$92,166</td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.566	\$92,166
<u>CFDA #</u>	<u>Amount</u>						
93.566	\$92,166						
		Status:	Corrective action for the FY 97 audit year has been completed.				
		Action:	<p>The following corrective actions have been taken:</p> <ol style="list-style-type: none">1. A memorandum has been issued to field staff reminding staff that Refugee Assistance should only be authorized if unable to establish AFDC eligibility at time client applies for assistance.2. A memorandum has been issued to field staff detailing procedures to correct client program eligibility.3. Each case identified by the Auditor has been reviewed for eligibility. Of the twelve cases, two were determined to be proper Refugee Assistance eligible and the related \$22,056.41 was left in the Refugee and Entrant Assistance Grant. The remaining questioned amount (\$68,279.59) was transferred to AFDC/TANF or Title XIX as appropriate. The Office of Accounting Services completed all accounting adjustments, January 6, 1999. The adjustments were reflected on appropriate federal reports for the quarter ending March 31, 1999.4. A memorandum has been issued to field staff reminding them of the date of entry requirement. <p>Note: Eligibility problems continued in this program in FY98. These problems were reviewed and corrected. An amending state statute in FY99 resolved the underlying issue related to the eligibility problems (refer to corrective action cited in Finding 98-01).</p>				
		Completion Date:	March 31, 1999				

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Community, Trade and Economic Development (CTED)

Fiscal Year	Finding Number	Finding and Corrective Action Plan						
98	03	<p>Finding: CTED should monitor subrecipients in accordance with federal guidelines for the Low Income Home Energy Assistance Program (LIHEAP) and the Community Services Block Grant (CSBG).</p> <p>Questioned Costs:</p> <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.568</td><td>\$0</td></tr><tr><td>93.569</td><td>\$0</td></tr></table> <p>Status: Most of proposed corrective action has been completed with the balance to be completed in the fall of 2000.</p> <p>Corrective Action: CTED has taken the following actions to bring agency monitoring activities into compliance with federal guidelines:</p> <ol style="list-style-type: none">As part of the 1999 Community Services Block Grant application, the agency included a section in the state plan that aligns scheduling frequency of subrecipient monitoring with new federal requirements outlined in the CSBG Act, as re-authorized in 1998. The application was submitted in December of 1998 and approved by HHS in January of 1999.The FY 99 LIHEAP State Plan, submitted in September of 1998, included a revised section on frequency of monitoring of LIHEAP subrecipients to align monitoring frequency policy with federal LIHEAP monitoring requirements. In October of 1998, HHS approved the plan.CTED established the monitoring schedule referred to in the state plans effective April 1, 1999. This schedule is being used as part of on going agency operations.Effective January 1, 1999, the Community Programs Unit within CTED implemented an electronic contract-monitoring log of all monitoring activities of subrecipients for both the CSBG and LIHEAP programs. This contract-monitoring log references all monitoring contact with subrecipients for both desk and on-site monitoring activities.	<u>CFDA #</u>	<u>Amount</u>	93.568	\$0	93.569	\$0
<u>CFDA #</u>	<u>Amount</u>							
93.568	\$0							
93.569	\$0							

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Community, Trade and Economic Development (CTED)

		<p>5. Both CSBG and LIHEAP programs are presently using standard monitoring tools for program monitoring activities. In addition, the Department's Quality Improvement Committee has recommended to management standard tools for monitoring the general administrative and fiscal activities of Community Action Agencies responsible for administering CSBG and LIHEAP funds.</p> <p>6. The Department has established a policy of mandatory formal minutes for monthly staff meetings relating to contractor review issues.</p> <p>7. The Department has updated its LIHEAP policies and procedures regarding record keeping for client eligibility and maintains, through its contractors, specific information on client eligibility for LIHEAP benefits.</p> <p>8. Finally, the Quality Improvement Monitoring Committee completed a complete review of subrecipient monitoring activities looking at what activities could be shared or what activities could be consolidated. The committee was also charged with presenting funding options for monitoring. The Committee completed its review, made its recommendations to the Director, but before action could be taken, the Director was replaced and the agency scheduled for reorganization by legislative action. Any reorganization will not take place before July 1, 2000. However, because the proposed reorganization involves the potential division of the agency into two separate entities, all major decision making has been postponed. Consideration of the committee's recommendations will not happen before the Fall of 2000.</p> <p>Completion Date: Fall of 2000</p>
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Office of the Superintendent of Public Instruction (OSPI)

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
98	04	Finding:	OSPI did not comply with state personal service contract requirements. Specifically, on one personal services contract for \$50,000 to a nonprofit organization OSPI did not solicit competitive proposals. \$17,739 of the contract amount was charged to federal programs.						
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>84.027</td><td>\$15,611</td></tr><tr><td>84.173</td><td>\$ 2,128</td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	84.027	\$15,611	84.173	\$ 2,128
<u>CFDA #</u>	<u>Amount</u>								
84.027	\$15,611								
84.173	\$ 2,128								
		Status:	Corrective actions completed.						
		Corrective Action:	<p>OSPI has completed the following correction actions:</p> <ol style="list-style-type: none">1. The standardized personal service contract boilerplate has been rewritten to further clarify that no services can be rendered by a contractor prior to the contract being fully executed and approved by OSPI and reviewed and approved by the Office of Financial Management (if filing required).2. All contract invoices will be more carefully scrutinized to assure that the dates of performance are in accordance with the contract's stated schedule of performance.3. The OSPI Director of Accounting has been assigned responsibility for reviewing all contracts and ensuring that OSPI follows all state contract rules with regard to competitive solicitation.4. The Director of Accounting and the senior legal advisor to the agency developed mandatory contract training. This training was conducted on August 26, 1999 and will, subsequently, be offered at least annually.5. OSPI drafted new ethics policies and procedures. Mandatory training, on the new policies and procedures was conducted on August 26th in conjunction with the contract training. <p>OSPI disagrees with the questioned cost of \$17,739. The agency feels that the contractor provided the specified services in accordance with federal rules and regulations.</p>						
		Completion Date:	August 26, 1999						

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Office of the Superintendent of Public Instruction (OSPI)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
98	05	<p>Finding: OSPI used Innovative Education Program Strategies federal funds to fund services (accreditation process) that were required under state law.</p> <p>Questioned Costs: <u>CFDA #</u> <u>Amount</u> 84.298 \$22,060</p> <p>Status: Corrective action completed.</p> <p>Corrective Action: OSPI concurred with the finding. The agency has restored state funding to 83% that assumes full state funding of the accreditation process. Complete reimbursement was made to the U.S. Department of Education on June 25, 1999.</p> <p>Completion Date: June 25, 1999</p>

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Office of the Superintendent of Public Instruction (OSPI)

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
98	07	Finding:	OSPI should establish procedures to ensure all subrecipients of Title I grants (local educational agencies) are monitored for compliance with federal compliance requirements.				
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>84.010</td><td>\$0</td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	84.010	\$0
<u>CFDA #</u>	<u>Amount</u>						
84.010	\$0						
		Status:	Corrective action completed.				
		Corrective Action:	<p>OSPI concurs with the finding. Since the problem was originally exposed during the audit, a new effort has been established to consolidate all federal monitoring on one cycle and complete monitoring in each district as a team effort. While the Elementary and Secondary Education Act does not specify the frequency with which Title I districts must be monitored, OSPI has taken steps to assure that in the future all districts will be monitored on a regular schedule.</p> <p>Those districts that have not been monitored for five years were scheduled for monitoring in the Spring of 1999. In the future, districts will be scheduled on a three or four-year cycle with priority determined by a set of standardized risk factors.</p> <p>In the Spring of 1999, OSPI launched its program of Consolidated Program Reviews with a pilot project encompassing eight districts. As of the Fall of 1999, all Title I monitoring is being accomplished as part of a formal CPR process using standardized monitoring instruments.</p>				
		Completion Date:	June 30, 1999				

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Tacoma Community College

Fiscal Year	Finding Number	Finding and Questioned Cost Status					
97	01	Finding:	Tacoma Community College should seek payment from the Department of Education for federal Pell Grant Awards unreimbursed due to the College's failure to meet September 30 th reporting date for supporting documentation. Unreimbursed amount was \$55,515. <i>Code of Federal Regulations</i> 34 CFR 690.83 requires an institution that has not met the deadline to demonstrate, by means of an audit finding, that it qualifies for payment. The FY 97 Single Audit, which included that finding, was the first audit opportunity available.				
			<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>84.063</td><td>\$55,515</td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	84.063	\$55,515
<u>CFDA #</u>	<u>Amount</u>						
84.063	\$55,515						
		Status:	Corrective action completed.				
		Action:	Tacoma Community College agreed with the audit finding. On December 30, 1997, a cover memo, along with required supporting documentation, was submitted to the Department of Education requesting repayment. The College, subsequently, provided requested supplemental information.				
			On December 8, 1999, the College received notification from the Department of Education that the reimbursement was approved and available for draw down immediately.				
		Completion Date:	December 8, 1999				

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Employment Security Department (ESD)

Fiscal Year	Finding Number	Finding and Questioned Cost Status					
97	12	Finding:	The ESD did not establish adequate controls over the Job Opportunities and Basic Skills Program. Repeat finding from the Statewide Single Audits for the fiscal years 1993, 1994, 1995, and 1996.				
			<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.561</td><td>\$0</td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.561	\$0
<u>CFDA #</u>	<u>Amount</u>						
93.561	\$0						
		Status:	Corrective action completed.				
		Action:	Recommended controls and procedures were established and documented in June and July of 1998. Training to field staff on supervisory review responsibilities and payment documentation retention was conducted in July and August of 1998 and was conducted again in May of 1999.				
		Completion Date:	May 28, 1999				

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Employment Security Department (ESD)

Fiscal Year	Finding Number	Finding and Questioned Cost Status
96	09	<p>Finding: The Employment Security Department did not have adequate internal controls over the JOBS program. (Repeat Finding - #95-08)</p> <p>Questioned Costs: <u>CFDA #</u> <u>Amount</u> 93.561 \$ -0-</p> <p>Status: Corrective action completed.</p> <p>Action: Recommended controls and procedures were established and documented in June and July of 1998. Training to field staff on supervisory review responsibilities and payment documentation retention was conducted in July and August of 1998 and May 1999.</p> <p>Completion Date: May 28, 1999</p>
95	08	<p>Finding: The Employment Security Department did not have adequate internal controls over the JOBS program.</p> <p>Questioned Costs: <u>CFDA #</u> <u>Amount</u> 93.561 \$ 15,457</p> <p>Status: Corrective action completed by ESD. Resolution of remaining questioned costs predicated on decisions and actions by the Washington Department of Social & Health Services, pass-through entity for the funding, and HHS.</p> <p>Action: Recommended controls and procedures were established and documented in June and July of 1998. Training to field staff on supervisory review responsibilities and payment documentation retention was conducted in July and August of 1998 and May 1999. ESD submitted, and HHS reviewed and allowed, additional documentation that reduced questioned costs to \$ 8,282.</p> <p>Completion Date: May 2000</p>

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Department of Transportation

Fiscal Year	Finding Number	Finding and Questioned Cost Status
95	22	<p>Finding: The Washington Department of Transportation (DOT) should improve controls designed to ensure credits are given to the Federal Highway Administration (FHWA) for rental income of federally funded right-of-way (ROW) properties.</p> <p>Questioned Costs: <u>CFDA #</u> <u>Amount</u> N/A \$ -0-</p> <p>Status: Need for corrective action removed by Congressional action.</p> <p>Action: The Comptroller's Office and the Real Estate Office have developed joint procedures to provide for a division of duties and responsibilities and to improve the interface between the Real Estate Management System and the Property Management System. This should ensure that FHWA receives a proper share of (credit for) rental income. FHWA has given concurrence with this procedure. Written procedures were completed in June of 1996. A final correction, to update the Real Estate Office's automated system to automatically flag leases with federal participation, remained.</p> <p>However, since this entire effort began the rules governing such credits have been altered by the passage of the Transportation Equity Act for the 21st Century and the IRS Reorganization Act of 1998. Under current interpretation, any credits due the federal government should not accrue for the foreseeable future, based on current activities. Updating the Real Estate Office's automated system to flag leases with federal participation remains scheduled, but at a lower priority.</p> <p>Completion Date: Based on the congressional action, June 1998</p>